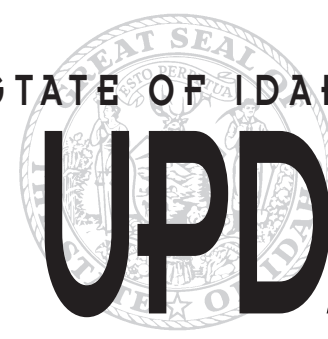


# STATE OF IDAHO TAX UPDATE



VOLUME TWELVE – NUMBER THREE

DECEMBER 2000



This issue of Tax Update deals with current tax issues and new services. If you have questions about the material here, or if you need more information, contact any Idaho State Tax Commission office listed on the back of this newsletter.

## Reduced Penalty Encourages Prompt Filing

A new law changes the penalty that applies to your tax return if it is filed on time but not paid. The new reduced penalty that will apply to the tax due is 0.5 percent per month, to a maximum of 25 percent. The penalty for *not filing* your return will remain at 5 percent per month (maximum 25 percent).

Even if you cannot afford to pay the tax

you owe on a return, it will cost less if you file it on time than if you file it late. (*House Bill 467, effective January 1, 2001.*)

Previously, the penalties for failure to file a return or pay the tax due were both 5 percent for each month the return is late or not paid, to a maximum of 25 percent. The minimum penalty will still be \$10, and interest will also apply to any tax due.

The new law does not affect the automatic extension of time for filing your Idaho individual income tax return. No penalty applies if you qualify for the six-month extension to file by paying either 80% of the taxes you owe on the return, or 100% of the tax reported on your prior year return.

## YEAR-END WITHHOLDING FORMS DUE

January and February are busy months for employers. In addition to the regular reporting, year-end forms are required.

### Regular Reporting Requirements

**Monthly Filers:** Employers who file monthly must file Form 910 (Payment Voucher) and pay the tax due for the month of December by Jan. 22, 2001 (since Jan. 20 is a Saturday, the due date moves to the following Monday). Form 958, the quarterly summary, is due on Jan. 31.

**Quarterly Filers:** Quarterly filers must file Form 958 and pay taxes due for the quarter by Jan. 31, 2001.

**Split-Monthly Filers:** Larger accounts set up on a split-monthly basis must file Form 910 by Jan. 22 and Form 958-A by the last day of January.

**Annual Filers:** Employers of household help and Ag employers who do not

have to file Unemployment Tax forms with the Idaho Department of Labor pay the state tax they have withheld when they file their 956 and 956-W forms (see below).

### Year-End Requirements for All Employers

W-2 forms (Wage and Tax Statements) must be prepared and given to all employees by Jan. 31, 2001. These forms are available at most office supply stores or from the Internal Revenue Service. Small quantities are also available at most Idaho State Tax Commission offices.

Form 956-W (W-2 Transmittal) must be sent to the Tax Commission by Feb. 28, 2001, along with copies of the W-2 forms. Form 956 (Annual Reconciliation) must be completed by employers to compare the Idaho withholding shown on employee W-2 forms to the tax paid to the Tax Commission for the year. Form 956 is due Feb. 28, 2001.

## New Withholding Booklet Mailed to Employers

A new "Guide for Idaho Income Tax Withholding" was mailed to all active Idaho withholding account holders in December. In addition to providing revised withholding tables (effective Jan. 1, 2001), the guide includes answers to the most frequently asked questions, samples of the forms and how to complete them, and information on how to file and pay electronically.

If you did not receive your guide, you can print it from our Web site at [www2.state.id.us/tax/publications.htm](http://www2.state.id.us/tax/publications.htm). Or, call us toll free at 1-800-972-7660 (334-7660 in the Boise area) and we will mail you one. The guide is also available from any of our offices listed on the back of this newsletter.

### HAS YOUR ADDRESS CHANGED?

If so, please let us know. Write to: TAX UPDATE, Public Information Office, Idaho State Tax Commission, Box 36, Boise, ID 83722

## State, Federal Forms Available from One Source

The Idaho State Tax Commission and IRS are providing a new service this year. You can contact either agency to receive both the state and federal packets of income tax forms and instructions.

Call or e-mail the Tax Commission and we will mail you both the Idaho Form 40 packet *and* the federal Form 1040 packet of your choice. Just let us know which federal packet you need: the 1040 (long form packet), 1040-A (short form packet) or 1040-EZ (easy form packet).

You can call the IRS and request the same service. They will mail you the federal forms *and* the Idaho income tax packet (when you request it).

Contact phone numbers and Internet sites are listed below or call any Tax Commission office.

### Idaho State Tax Commission

Phone: 334-7660 in the Boise Area, or toll free 1-800-972-7660

E-mail: [taxrep@tax.state.id.us](mailto:taxrep@tax.state.id.us)

**Internal Revenue Service** - Phone: 1-800-TAX-FORM (1-800-829-3676)

To print Idaho or federal forms and instructions from the Internet, visit these Web sites:

**Idaho forms:** [www2.state.id.us/tax/forms.htm](http://www2.state.id.us/tax/forms.htm)

**Federal forms:** [www.irs.ustreas.gov/forms\\_pubs/forms.html](http://www.irs.ustreas.gov/forms_pubs/forms.html)

To fax-back forms to the fax-phone from which you call:

**Idaho forms:** 364-7389 from the Boise calling area, or toll free 1-888-228-5770.

## 2001 Interest Rate Stays the Same

The interest rate for refunds and late taxes is 8 percent, or .022 percent per day, as of Jan. 1, 2001.

This is the same as the rate for 2000. The Idaho State Tax Commission is required to calculate a new interest rate each year, based on the federal rate.



## Where To Get Information

If you would like to know more about Idaho state taxes, call the Idaho State Tax Commission toll free at 1-800-972-7660 or contact any of the offices listed below:

### Boise

800 Park Blvd., Plaza IV  
(208) 334-7660

### Pocatello

611 Wilson St., Suite 5  
(208) 236-6244

### Twin Falls

1038 Blue Lakes Blvd. N, Suite C  
(208) 736-3040

### Coeur d'Alene

1910 Northwest Blvd.,  
Suite 100  
(208) 769-1500

### Lewiston

1118 F Street  
(208) 799-3491

### Idaho Falls

150 Shoup Ave., Suite 16  
(208) 525-7116



### HEARING IMPAIRED CALLERS:

Use the Idaho Relay Service (1-800-377-3529)  
to reach any Tax Commission office listed above.

Costs associated with this publication are available from the Idaho State Tax Commission  
in accordance with Section 60-202, Idaho Code.

TAX UPDATE is published quarterly and mailed to all sales and use tax account holders with their tax return forms. Unless otherwise noted, information in TAX UPDATE applies only to Idaho taxes. This newsletter is designed to provide general information only, and is not intended to offer comprehensive explanations of Idaho tax laws and rules. Specific questions should be addressed to the nearest State Tax Commission office. Comments about TAX UPDATE and suggestions for future issues should be sent to:

TAX UPDATE Editor  
Public Information Office  
State Tax Commission  
P.O. Box 36  
Boise, ID 83722



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This issue of Tax Update deals mainly with:  
**CURRENT TAX ISSUES AND NEW SERVICES**

### IDAHO STATE TAX COMMISSION

P.O. Box 36  
Boise, Idaho 83722